Mega Chemical Industry Estates

513. SHRIMATI JAMANA DEVI BARUPAL:
DR. T. SUBBARAMI REDDY:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have started the process to set up mega chemical industry estates in coastal States with adequate port facilities to turn the country into South Asia's petrochem-hub;

(b) if so, whether there is a proposal to have a mother complex which would provide proper linkage to other allied units;

(c) whether six States including Andhra Pradesh and Karnataka have already submitted proposals; and

(d) if so, to what extent Government have considered these proposals and by when it is likely to be cleared?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) No, Sir.

(b) to (d) The role of the Central Government is limited to that of a facilitator. To this end, the Department of Chemicals and Petrochemicals has commissioned a feasibility study through a Consultant regarding a Mega Chemical Industrial Estate (MCIE) who is considering the various sites. The feasibility report will be brought to the notice of State Governments and the Industry for follow up action in setting up the MCIE.

Simplification of drug pricing norms

514. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government have simplified the drug pricing through a notification in the month of January, 2005;

(b) the details of drugs that are going to be available at a lesser prices as a result of the present move:

(c) whether the price of life-saving drugs will also come down due to simplification of drug prices; and

(d) if so, the details of drugs that are going to become cheap?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) Drugs and medicines have been brought under the levy of excise duty on the basis of retail price, *vide* notification No. 2/2005-Central Excise (NT) dated 7.1.2005. For this purpose, 35% on retail price had been provided as abatement, i.e. the excise duty was made chargeable on 65% of the retail price. Subsequently, the Government has revised the abatement level to 40% *vide* Notification No. 4/2005-Central Excise (N.T.) dated 23.2.2005.

(b) to (d) Prior to 8.1.2005, drugs and medicines were leviable to excise duty on ad valorem basis and the duty was levied on the basis of transaction value ex-factory. There were wide variation between ex-factory prices (assessable value) and the declared retail price of drugs, which led to valuation disputes. Retail price based levy of excise duty is to facilitate assessment and provides uniformity. The change in the mode of assessment of excise duty on drugs is not expected to have an impact on the retail prices of drugs and medicines.

Margin on Drugs

515. SHRI K. RAMA MOHANA RAO:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether, according to a study conducted by Government, the Pharma Companies are giving 1000 per cent margin on some of the drugs such as Nimesulide, Omeprozol, Cetrizine, etc.;

(b) if so, what the National Pharmaceutical Pricing Authority is doing in this regard;

(c) whether it is a fact that Sandhu Committee has been constituted to look into all these aspects; and

(d) if so, what are the recommendations made by the Committee?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) and (b) The Drugs (Prices Control) Order, 1995 (DPCO, 1995) was promulgated by the Government *vide* S.O. 18(E) dated 6.1.1995. The 74 bulk drugs specified in its First Schedule and the